GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:898
ANSWERED ON:03.12.2015
Losses Suffered by Airline Industry
Chandrappa Shri B.N.;Kateel Shri Nalin Kumar;Khan Shri Md. Badariddoza;Suresh Shri Doddaalahalli Kempegowda;Vellaigounder Shri Elumalai

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Airline industry including Air India is reportedly incurring huge loses in the recent years;

(b) if so, the details thereof and the reasons therefor indicating the financial conditions of various airlines including Indigo and Air India and the details of the losses suffered during the last three years and the current year, airline/year-wise; and

(c) the steps taken/proposed to be taken by the Government to bring about a turnaround in the airline industry of the country?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) & (b) Directorate General of Civil Aviation has not conducted any study in this regard. However, Airlines are free to assess their financial status including Air India.

Statement of Financial Summary of Scheduled Indian Carriers during the last three years is enclosed herewith as Annexure-1

(c) The Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 12.04.2012, approved a Turnaround Plan (TAP)/ Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India (AI) subject to achievement of certain laid down milestones by AI. As part of the TAP/FRP, AI has initiated, inter-alia, the following steps in order to cut costs:-

(i) Rationalization of certain loss making routes
(ii) Induction of brand new aircraft on several domestic & international routes to increase passenger appeal
(iii) Phasing out & grounding of old fleet
(iv) Establishment of Integrated Operations Control Center and Hub Control Center in Delhi
(v) Freezing of employment in non-operational areas.
(vi) Operationalization of Subsidiary Companies such as Air India Air Transport Services Limited and Air India Engineering Services Limited and transfer of manpower and equipment and treating them as Independent Profit Centers and
(vii) Induction of the B787 aircraft on Medium Capacity Long Haul Routes.